



Form 906

CLOSING AGREEMENT

Enclosed packet includes:

1. A copy of the Closing Agreement statute.
2. A Closing Agreement Form 906 to complete.
3. A Power of Attorney Form to complete, if applicable.
4. A Financial Statement of Debtor - Section I through Section V to be completed.
5. National Standard Expenses information to be used in the completion of Section II of Financial Statement of Debtor.

NOTE: Copies of Taxpayer's last two years Individual IRS Returns, and Corporate Returns, if applicable, are required to be submitted with Form 906.

Any questions or requests for additional forms call Ken Steel at (609) 984-5772 or Robert Gross at (609) 984-5454.

Send completed required information to:

NJ Division of Taxation
Closing Agreements
9th Floor
P. O. Box 245
Trenton, NJ 08695-0245

CLOSING AGREEMENTS

Authority

Unless otherwise expressly noted, all provisions of this chapter were adopted pursuant to authority of N.J.S.A. 54:50-1 et seq. and were filed and became effective on January 27, 1978, as R.1978 d.29.Sec: 10 N.J.R. 41(a), 10 N.J.R. 127(d).

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SUBCHAPTER 1. CLOSING AGREEMENTS

18:33-1.1 General provisions

(a) The Director of the Division of Taxation or any of his delegated representatives may enter into a written agreement with any person relating to the liability of such person (or of the person or estate for whom he acts) in respect to any State tax administered by the Director of the Division of Taxation for any taxable period ending prior or subsequent to the date of such agreement. A closing agreement may be entered into in any case in which there appears to be an advantage in having the case permanently and conclusively closed, or if good and sufficient reasons are shown by the taxpayer for desiring a closing agreement and it is determined by the director that the State of New Jersey will sustain no disadvantage through consummation of such an agreement.

(b) A closing agreement may be executed even though under the agreement the taxpayer is not liable for any tax for the period to which the agreement relates. There may be a series of closing agreements relating to the tax liability for a single period.

18:33-1.2 Taxable Periods

(a) Closing agreements with respect to taxable periods ended prior to the date of the agreement may relate to the total tax liability of the taxpayer or to any or more separate items affecting the tax liability of the taxpayer, as, for example, the amount of gross receipt, deduction items, other income items, statutory deductions or exclusions, statutory additions to income, the year in which an item of income is to be included in gross receipts or income, the year in which an item is to be deducted, or the value of property on a specific date.

(b) Closing agreements with respect to taxable periods ending subsequent to the date of the agreement may relate to one or more separate items affecting the tax liability of the taxpayer.

18:33-1.3 Finality; determination of fraud

(a) A closing agreement which is approved within such time as may be stated in such agreement, or later agreed to, shall be final and conclusive, and, except upon a showing of fraud or malfeasance, or misrepresentation of a material fact.

1. The case shall not be reopened as to the matters agreed upon or the agreement modified by an officer, employee, or agent of the State of New Jersey; and
2. In any suit, action, or proceeding, such agreement, or any determination, assessment, collection, payment, abatement, refund, or credit made in accordance therewith, shall not be annulled, modified, set aside, or disregarded. However, a closing agreement with respect to a taxable period ending subsequent to the date of the agreement is subject to any change in, or modification of, the law enacted subsequent to the date of the agreement and made applicable to such taxable period, and each closing agreement so recited.
 - (b) Execution and approval of closing agreement does not preclude an additional inspection of taxpayer's records to determine whether fraud, malfeasance, or misrepresentation of material fact exists as to execution of agreement.

18:33-1.4 Procedure with respect to closing agreements

- (a) A request for a closing agreement which relates to a prior taxable period may be submitted at any time before a case with respect to the tax liability involved is filed in the Division of Tax Appeals. All closing agreements shall be executed on forms prescribed by the Director of the Division of Taxation.
- (b) Any tax or deficiency in tax determined pursuant to a closing agreement shall be assessed and collected, and any overpayment determined pursuant thereto shall be credited or refunded, in accordance with the applicable provisions of law.

18:33-1.5 Applicability and coverage; policy

- (a) The Director of the Division of Taxation or any Division of Taxation officer or employee authorized in writing by the director, can enter and approve written closing agreements with any person. Such agreement can relate to the liability of such person (or the taxpayer represented by him), for any State tax administered by the Division of Taxation for any taxable period. The agreement can cover either the total liability of taxpayer or one or more of separate items affecting the liability, if it embraces a tax period ending before the date of the agreement; or one or more separate items affecting tax liability. There can be a series of agreements covering a single tax period.
- (b) A closing agreement may be entered into when it appears advantageous to have the case permanently closed; or where the taxpayer shows sufficient reason for desiring a closing agreement, and there would be no disadvantage to the State of New Jersey in entering into it. Closing agreements can be entered into, although under the agreement taxpayer is not liable for tax for the period covered.

18:33-1.6 Procedures

- (a) A request to enter into a closing agreement is executed on prescribed forms and submitted, processed and approved under prescribed procedure. If the proposed agreement relates to a prior taxable period, it must be submitted before a case with respect to the tax liability is filed in the Division of Tax Appeals or in any Division of the Superior Court of New Jersey or in any Federal court.
- (b) Where parties entered into a stipulation, on trial, or any matter regarding taxpayer's liability, and the action is dismissed with prejudice, taxpayer shall not be permitted to repudiate the agreement because a closing agreement was not executed by the Director of the Division of Taxation.
- (c) Taxpayer's acceptance of a determination of additional tax under which an assessment of additional tax was made and paid, does not preclude the director from determining an additional deficiency for the year.
- (d) The Director of the Division of Taxation is not estopped from issuing a deficiency assessment. Acceptance of a sum submitted with an amended return does not discharge a taxpayer from further liability; a deficiency assessment is not a closing agreement.

N. J. TREASURY DEPARTMENT - DIVISION OF TAXATION

**CLOSING AGREEMENT AS TO FINAL DETERMINATION
COVERING SPECIFIC MATTERS**

A request for a Closing Agreement to be made between

(Name of Taxpayer or Corporation)

(Taxpayer ID)

(Address)

for

(Type of Tax or Taxes and Outstanding Years/Periods)

and the Director of the Division of Taxation.

Please state the reasons why the taxpayer feels they should not have to pay the total outstanding tax liabilities due the Division of Taxation.

(If additional space needed you may write on back or attach additional sheet)

Amount Offered as Payment in Full: \$ _____.

How will payment be made? _____.

Signature Taxpayer/Officer

Date

State of New Jersey
DIVISION OF TAXATION
P O Box 245
Trenton NJ 08646-0245

POWER OF ATTORNEY

Name, identifying number, and address including zip code of taxpayer(s):

hereby appoints (Name, address including zip code and telephone number of appointee):

as attorney-in-fact to represent the taxpayer(s) before any office and/or representative of the Division of Taxation, State of New Jersey, with respect to any audit functions and/or proceedings for the year(s) or period(s):

Said attorney-in-fact shall, subject to revocation, have authority to receive confidential information and full power to perform on behalf of the taxpayer(s):

All acts necessary and requisite to facilitate said audit functions and/or proceedings.

To execute waiver (including offers of waivers) of restrictions on assessment or collection of deficiencies in tax and waivers of notice of disallowance of a claim for a credit or refund.

To execute consents extending the statutory period for assessments or collection of taxes.

To delegate authority or to substitute another representative of the same firm or company.

Other acts (specify) _____

Copies of notices and other written communications addressed to the taxpayer(s) in proceedings involving the above matters should be sent to:

This power of attorney revokes all prior powers of attorney and tax information authorizations on file with the same Division of Taxation office with respect of the same matters and years or period covered by this instrument.

Signature of or for taxpayer(s)

If signed by a corporate officer, partner or fiduciary on behalf of the taxpayer. I certify that I have the authority to execute this power of attorney on behalf of the taxpayer.

(Signature)

(Title, if applicable)

(Date)

(Signature)

(Title, if applicable)

(Date)

SWORN AND SUBSCRIBED TO BEFORE ME:

this _____ day of _____, 19__

State of New Jersey
DIVISION OF TAXATION
Financial Statement of Debtor

SECTION I - EMPLOYMENT INFORMATION

1. NAME (Debtor) _____ 2. BIRTH DATE (mo. day yr.) _____ 3. SOCIAL SECURITY NO. _____

4. HOME ADDRESS & PHONE NUMBER (Area Code) _____

5. NAME OF SPOUSE (give address if different from yours) _____ 6. DATE OF BIRTH (mo. day yr.) _____ 7. SOCIAL SECURITY NO. _____

DEBTOR EMPLOYMENT DATA

8. OCCUPATION		9. HOW LONG IN PRESENT EMPLOYMENT?	
10. PRESENT EMPLOYER'S NAME	ADDRESS	PHONE NUMBE (AREA CODE)	

11. PRESENT MONTHLY INCOME

SALARY OR WAGES \$ _____ COMMISSIONS \$ _____ OTHER (State Source) \$ _____ TOTAL \$ _____

12. OTHER EMPLOYMENT - WITHIN LAST THREE YEARS

EMPLOYER'S NAME	ADDRESS	PHONE NUMBER	EMPLOYMENT DATES

SPOUSE'S EMPLOYMENT DATA

13. OCCUPATION		14. HOW LONG IN PRESENT EMPLOYMENT?	
15. SPOUSE'S PRESENT EMPLOYER'S NAME	ADDRESS	PHONE NUMBER (AREA CODE)	

16. PRESENT MONTHLY INCOME

SALARY OR WAGES \$ _____ COMMISSIONS \$ _____ OTHER (State Source) \$ _____ TOTAL \$ _____

17. OTHER EMPLOYMENT - WITHIN LAST THREE YEARS

EMPLOYER'S NAME	ADDRESS	PHONE NUMBER	EMPLOYMENT DATES

DEPENDENTS

18. TOTAL NUMBER	RELATIONSHIP	AGE	RELATIONSHIP	AGE	RELATIONSHIP	AGE	

19. TOTAL MONTHLY INCOME OF DEPENDENTS (except spouse) \$ _____

SECTION II - FINANCIAL DATA

20. For what period did you last file a Federal Tax Return? _____
21. For what period did you last file a New Jersey Income Tax Return? _____
22. Amount of Gross Income reported on last return filed \$ _____

MONTHLY INCOME AND EXPENSE ANALYSIS

TOTAL INCOME

NECESSARY LIVING EXPENSES

Source	Gross		Claimed
23. Wages/Salaries (Taxpayer)	\$	34. National Standard Expenses ¹	\$
24. Wages/Salaries (Spouse)		35. Rent/Mortgage	
25. Interest - Dividends		36. Utilities	
26. Net Business Income		37. Health Care	
27. Rental Income		38. Taxes (Income) - Federal	
28. Pension (Taxpayer)		39. Taxes (Income) - State	
29. Pension (Spouse)		40. Taxes (Property)	
30. Child Support		41. Court Ordered Payments	
31. Alimony		42. Child/Dependent Care	
32. Other		43. Other Expenses (Specify)	
33. Total Income	\$	44. Total Expenses	\$

SECTION III - ASSETS AND LIABILITIES

ASSETS

45. Cash	\$	_____
46. Checking Account		_____
47. Savings Account		_____
48. Stocks, Bonds & Other Securities		_____
49. Cash or Loan Value of Insurance		_____
50. Motor Vehicles (Model & Year)		_____
1. _____		_____
2. _____		_____
3. _____		_____
51. Debts Owed to You		_____
52. Household Furniture & Goods		_____
53. Items Used in Trade or Business		_____
54. Real Estate		_____
1. _____		_____
2. _____		_____
3. _____		_____
55. Any Other Assets - List		_____
1. _____		_____
2. _____		_____
3. _____		_____
Total Assets	\$	_____

SECTION III - ASSETS AND LIABILITIES - Continued

LIABILITIES

56. Bills Owed (Doctor, Lawyer, etc.)

1.	_____	\$ _____
2.	_____	_____
3.	_____	_____

57. Installment Debt (Car, Credit Card, etc.)

1.	_____	_____
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____

58. Federal Taxes Owed

Has Federal Lien Been Filed? _____
(If yes please supply copy)

59. State Taxes Owed

60. Real Estate Mortgages

1.	_____	_____
2.	_____	_____
3.	_____	_____

61. Loans Payable (To Banks, Finance Co., Etc.)

1.	_____	_____
2.	_____	_____
3.	_____	_____

62. Judgments Owed (Other than Federal or State)

1.	_____	_____
2.	_____	_____
3.	_____	_____

63. Other Debts (Itemize) Total Liability

1.	_____	_____
2.	_____	_____
3.	_____	_____

Total Liabilities \$ _____

Section IV - GENERAL FINANCIAL INFORMATION

64. Real Property (Brief description and type of ownership)

Physical Address	Date Acquired	Cost
		\$

65. Bank Accounts (Include Savings and Loans, Credit Unions, IRA & Retirement Plans, Certificates of Deposits, Etc.)

Name of Institution	Address	Type of Account	Account No.	Balance
				\$

Total \$ _____

66. Securities (stocks, bonds, mutual funds, money market funds, government securities, etc.)

Kind	Quantity	Owner of Record	Current Value
			\$

Total \$ _____

67. Charge cards and lines of credit from banks, credit unions, and savings and loans

Type of Account or Card	Name & Address of Financial Institution	Credit Limit	Amount Owed	Credit Available	Monthly Payment
					\$

Total \$ _____

68. Life Insurance

Name of Company	Policy Number	Type	Face Amount	Available Loan Value
		Whole ____ Term ____	\$	\$
		Whole ____ Term ____		
		Whole ____ Term ____		

Total \$ _____

SECTION V - GENERAL INFORMATION

69. Are you a party in any law suit now pending? _____ Yes (Give details below) _____ No

70. Are you a trustee, executor or administrator? _____ Yes (Give details below) _____ No

71. Is anyone holding any monies on your behalf? _____ Yes (Give details below) _____ No

72. Is there any likelihood you would receive an inheritance? ____ Yes (From Whom) _____ No

73. Do you receive or under any circumstances expect to receive benefits from an established trust from a claim for compensation or damages from a contingent or future interest in property of any kind?

____ Yes (Explain below) _____ No

With knowledge of the penalties for false statements provided by 2C:21-4(b) (\$7,500 fine and/or 3-5 years imprisonment) and with knowledge that this financial statement is submitted by me to affect action by the Division of Taxation, I certify that I believe the above statement is true and that it is a complete statement of all my income and assets, real and personal, whether held in my name or by any other.

Date

Signature

National Standard Expenses

Use for completion of Section II - Financial Statement of Debtor

Total	Number of Persons in Household				
Monthly Income	One	Two	Three	Four	Over Four
Less than \$830	315	509	553	714	+ 120
\$830 to \$1,249	383	517	624	723	+ 130
\$1,250 to \$1,669	448	569	670	803	+ 140
\$1,670 to \$2,499	511	651	731	839	+ 150
\$2,500 to \$3,329	551	707	809	905	+ 160
\$3,330 to \$4,169	590	840	948	1,053	+ 170
\$4,170 to \$5,829	665	913	1,019	1,177	+ 180
\$5,830 and over	923	1,179	1,329	1,397	+ 190

Expenses include:

- Housekeeping supplies
- Clothing and clothing services
- Personal care products and services
- Food

To find the amount you are allowed, read down the Total Gross Monthly Income Column until you find your income, then read across to the column for the number of persons in your family.

If there are more than four persons in your family, multiply the number of additional persons by the amount in the "Over Four" column and add the result to the amount in the "Four" column. For example total monthly income of \$830 to \$1,249 for six persons would equal a monthly national standard of 723 + 260 (2 X 130), or 983.

Normally, expenses should be allowed only for persons who can be claimed as exemptions on your income tax return.

Dollar amounts are derived from Bureau of Labor Statistice (BLS) Consumer Expenditure Survey, 1992-93, Tables 1,3,4, and 5.